

JPRS 77129

8 January 1981

Near East/North Africa Report

No. 2244

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

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HOUSING CONFERENCE OPENS IN DAMASCUS

Jiddah ARAB NEWS in English 21 Dec 80 p 2

[Text]

DAMASCUS, Dec. 20 (SPA) — Ministerial delegates from 19 Arab countries opened the fifth Arab housing and reconstruction conference here Saturday. The Arab League general secretariat also is attending the meeting.

The three-day conference was opened by Abdul Rauf Al-Kasm, Syrian prime minister, on behalf of President Hafez Assad. The delegates will be discussing the promotion of cooperation among Arab countries in the field of housing and reconstruction. They also will consider the possibility of establishing an Arab bank for housing to finance housing development undertaken by general assemblies in Arab countries.

The Saudi Arabian delegation to the conference, led by Sheikh Muhammad Ibrahim Mansour, the state minister and cabinet member, arrived here Friday night.

Sheikh Muhammad said the conference will discuss not only housing problems in the Arab world, but how to encourage local manufacturing of construction material. It will also deal with the Arab countries' experience with prefabricated structures. Also high on the agenda is the preservation of Arabian

architectural style in occupied Jerusalem. The conference will review progress for the implementation of resolutions and recommendations of the previous session held in Rabat in 1979. It will also consider boosting the capacity of the conference's executive bureau.

The official said that Saudi Arabia has been able to solve its housing problems through rush housing projects, Real Estate Fund loans and the grant of land parcels to the country's nationals to enable them to build their own houses.

The Kingdom's delegation also comprises Ibrahim Al-Rashed, public works and housing undersecretary; Omar Al-Qadi, municipal undersecretary, for town planning; Said Al-Said, deputy assistant undersecretary for economic affairs; and other officials.

The delegation was received at the airport by Nour Al-Dagur, Syrian housing minister; Sheikh Abdul Mohsen Al-Zaid, the Kingdom's ambassador to Syria, and other officials. Sheikh Muhammad expressed hope that the conference would result in positive decisions for solving housing problems in the Arab World.

JOINT VENTURES RECEIVE APPROVAL

Jiddah ARAB NEWS in English 13 Dec 80 p 3

[Text]

JEDDAH, Dec. 12 — The Arab Investments Corporation (APICORP) has approved various plans for investment, an official statement said Friday.

The plans include a joint venture rubber project in Libya, a grant for two loans to Sudan and Somalia for oil related projects. In addition, APICORP renewed the term of office of General Manager Dr. Nureddin Farag.

The board of directors Wednesday meeting in Al Khobar was chaired by Jamal Hassan Jawa, representing Saudi Arabia and attended by representatives from the United Arab Emirates, Bahrain, Algeria, Syria, Qatar, Kuwait and Libya.

It approved a plan to conduct a detailed economic and technical study for an Arab joint venture for a synthetic rubber project with the Libyan government within the framework of the petrochemical complex in Ras Lanuf as a first stage for the proposed activities of the company.

Sudan was granted a loan to finance the proposed expansion of the capacity of the pipeline, which carries petroleum products from Port Sudan to Khartoum and increase the storage facilities for petroleum products. The Khobar-based company will also participate in the management and financing of the loan to a urea plant to be attached to the oil refinery in Mogadishu in the Somali Democratic Republic.

The board discussed progress reports relating to the establishment of the detergent company which will carry out the joint ven-

ture for the production of detergents in Iraq, approved during the meeting held earlier this year — the lube oil joint venture, the company for petroleum consultation and engineering designs and the pesticide joint venture.

It agreed to hold its next meeting next March. Total revenues for the company rose by 31 per cent in 1979, from SR90 million to SR118 million, according to the company's annual report.

APICORP, which was established in 1976, planned to expand its activities by participating in financing petroleum related projects in both the Third World and the industrialized countries. Jawa said this would undoubtedly support the Arab states and developing countries while also helping in the transfer of technology available to oil and petroleum establishments which would provide the corporation with potential for strong, balanced and profitable growth.

During last year it managed, underwrote and participated in a number of loans and bond issues in favor of various Arab petroleum projects. They amounted to \$707.7 million. The company increased its equity participation in Arab petroleum projects to an aggregate capital amounting to \$198 million, of which it contributed \$24 million or 12.3 per cent on average. The report said that this was in harmony with a policy aiming at increasing its direct investments in Arab petroleum projects. Also tangible progress was made in joint ventures to which the corporation pays particular attention since they represent important cornerstones of regional industrial development.

SPLIT WITHIN LEADERSHIP EXPOSED BY QOTBZADEH'S ARREST

Paris NAME-YE RUZ in Persian 10 Nov 80 pp 1-4

[Text] The arrest of Sadeq Qotbzadeh, former foreign minister and the old colleague of Ayatollah Khomeyni in his struggle against the shah, which had been ordered by fundamentalist members of the Islamic Republic Party, has been viewed by foreign press as a dangerous new stage in the struggle for power within the Islamic Republic. According to foreign newspapers, Qotbzadeh had been arrested a few hours after his meeting with Khomeyni. In an interview on Channel 2 TV, Thursday, Qotbzadeh had strongly attacked the fundamentalist members of the Islamic Republic Party and, according to reports in foreign press, he had called the Islamic Republic Party leader, Ayatollah Beheshti, who is also the head of the Supreme Court, a former member of the SAVAK. Qotbzadeh had charged that the same people, who had been opposed to freeing the American hostages, had wanted to seek their freedom by negotiating with the United States but had been frustrated in their efforts and were now trying to cover it up.

It was first announced that Qotbzadeh had been arrested for carrying an unlicensed concealed handgun. But a few days later, the office of prosecutor-general Musavi Ardebili, a close relative of Ayatollah Beheshti, who had just announced in his television interview the appointment of a new director for the radio and television organization, declared that Qotbzadeh had been guilty of having been engaged in harmful activities against the Islamic Republic. The arrest of Moballeghi-e Eslami, who had conducted the interview with Qotbzadeh, had also been ordered, but he was reported to have gone into hiding.

Press reports said that the arrest of Qotbzadeh was considered to be a direct blow by leaders of the Islamic Republic Party against Bani Sadr. In recent weeks, Bani Sadr had been critical of the clergy for their unwarranted interference in the war against Iraq. In having taken full charge of the military operations, Bani Sadr had not been able to pay much attention to the affairs of the state. On the occasion of Ghadir religious holiday, Ayatollah Khomeyni had declared that people with no military experience could not interfere in the war against Iraq.

Foreign military analysts, who believe that a united leadership is vital for the successful continuation of the struggle against Iraq, are of the opinion that the arrest of Qotbzadeh and other revolutionaries in the past several days had put that unity under great stress. In criticizing the arrest of Qotbzadeh, Bani Sadr confirmed Qotbzadeh's criticism of censorship on both radio and television. He has announced he will boycott the two and use his own newspaper, the ISLAMIC REVOLUTION,

for bringing his messages to the people. At the same time, reports in Tehran indicated that the newspaper itself faced the danger of being closed down. In the meantime, the appointment of managers for radio and television by the prosecutor-general has been called an unconstitutional act in the Majles. It has been pointed out that according to the constitution, the country's radio and television organization should be run by a three-man group representing the three branches of the government. Majles Speaker Hashemi Rafsanjani, who is also a member of the Islamic Republic Party, had given some explanation, and Musavi Ardebili, who had met with Khomeyni yesterday, had said that this action, in his opinion, had not violated the constitution.

A number of political analysts are of the opinion that the struggle for power in Iran had now reached a point that will only end with a total defeat of either Bani Sadr or Beheshti.

Mo'infar: Musavi Ardebili Action is Unlawful

The Islamic Consultative Assembly held an open meeting yesterday. The session, presided over by Speaker Rafsanjani, discussed the charter for the Voice and Vision of the Islamic Republic of Iran [radio and television organization] and approved the third article in its second reading. A number of deputies present in that session were critical of the appointment of radio and television managers by the prosecutor-general.

Tehran representative Ali Akbar Mo'infar, pointing to the capture of the oil minister by Iraqi Ba'thist mercenaries, said that it had been observed that at the time of his capture no clashes had occurred, and that it had been noticed by others that the oil minister had not been hurt and that he was in good health.

Should there be anything wrong with him now, responsibility lies with the Ba'thist regime of Iraq, he said. He then referred to the notable activities of the Iranian fighting forces at the battle front and also had praise for the President of the Republic and representatives of the Imam in the High Council of Defense.

Mo'infar said that if everybody respected the constitution no serious problem would develop. He also said that if organizations and individuals observed the principle of the separation of powers many existing problems would disappear.

With reference to the appointment of the director of the radio and television organization by the prosecutor-general, he said: "The judiciary or the prosecutor-general should in no way make decisions for the radio and television. This is against the law. It is perhaps up to the High Defense Council to solve the problem. We humbly ask the prosecutor-general to cancel his order, and if a new director is to be appointed, it must be left to the High Defense Council, as the determining the propaganda policy of the nation had been made the responsibility of the Council by the leader [the Imam]."

In conclusion, he read the text of a letter addressed to the Speaker of the Islamic Assembly, which had been signed by a number of representatives, and was finally submitted to the Assembly.

He was followed by representative from Qa'emat, who first talked about the financial aid given by his constituents to the earthquake-stricken areas. He also pointed out that despite the difficulties faced by the earthquake victims, they had not forgotten the war.

He also talked about the issue of the appointment of the director of the radio and television organization by the prosecutor-general. He noted that the prosecutor-general could only appoint financial controllers and not a director. His action is not justifiable under the law.

He then read his questions from the prosecutor-general concerning various subjects, demanding that they be answered. He also asked questions from the Prime Minister about purges.

Replying to Mo'infar's questions about conditions in the radio and television organization, the Speaker of the Assembly said that it was the right of the Assembly to be informed about the conditions. The story began in early Mehr [23 Sep-22 Oct 80] after Mr Farrahi, the director of radio and television organization resigned his post to become the Islamic Republic's ambassador to China. Upon his resignation, he appointed Moballeghi-e Eslami as deputy-director and then sent his own resignation to the prosecutor-general, Ayatollah Musavi Ardebili.

Ayatollah Musavi Ardebili then realized that there was no position for deputy-director in the charter of the organization and that Farrahi had no authority to choose a deputy as his successor. He reported the situation to Bani Sadr. At the same time, Moballeghi-e Eslami made a number of new appointments and dismissed several officials of the organization. These actions could not be considered legal and the fact that the Imam had earlier, at the time of the appointment of the new director for radio and television organization, ordered against the removal of any employee of the organization, had further complicated the situation. This resulted in the president ordering the chief prosecutor-general to look into the new appointments and dismissals and to stop it if anything was found to be unlawful.

The Speaker of the Assembly also said that during the early days of the High Defense Council, no charter of procedure existed. At a session held in Tehran, with five people attending, the problem was reviewed. We then realized that the situation there [in the radio and television organization] was becoming chaotic which prompted me to write a letter to Moballeghi-e Eslami, which the Prime Minister and I both signed, asking him not to take any further action with regard to those appointed or dismissed, until a new director was appointed.

After the procedure for the High Defense Council was prepared, at a session attended by 6 members of the Council, it was decided to once again inform Moballeghi-e Eslami to refrain from any further personnel changes in the organization.

He [the Assembly Speaker] further said that Ayatollah Musavi Ardebili had visited the Imam on Friday. I saw the Imam the same day and he told me that Ardebili had been told that "the man said to be director there" was not appointed according to the law and had no right to be there. Arrangements should be made for someone to temporarily run the place until after the Assembly has reviewed the bill concerning the organization.

Statement By Musavi Ardebili

Following the debates yesterday by a number of representatives during the open session about the appointment of a new director for the radio and television organization by the prosecutor-general, Musavi Ardebili said that he had heard about the debates but was waiting to receive a full account of the discussions before making any public comments.

In a radio and television interview yesterday afternoon, Ardebili said that what he had done was in accordance with the constitution and not contrary to it.

Qotbzadeh: Iran Is Moving Towards Dictatorship

In a television interview two days before he was arrested, Qotbzadeh had expressed his support of the policy followed by the moderate followers of Bani Sadr and had strongly criticized the extremists led by militant students. Qotbzadeh said that the young generation believes that the administration of the country required extreme actions. He added that all indications are that the country was moving towards dictatorship.

Qotbzadeh described the hostage problem as one of the most important crises the country was facing today and he put the blame on certain religious leaders. He said that those who now vote in favor of freeing the American hostages were accusing the moderates last year of supporting the United States but had now realized that they were wrong. Qotbzadeh said that Iranians had been playing politics up to now. He concluded by saying that it was time now for the Iranians to choose between the present childishness and reality.

9561

CSO: 4906

LIBERALS SEEN IN LAST STRUGGLE AGAINST CLERGY

Tehran TEHRAN TIMES in English 9 Dec 80 p 2

[Editorial]

[Text]

TEHRAN - The morning daily Sobh-e Azadegan in an editorial recently commenting on the recent attempts of some counter-revolutionary elements to discredit the clergy, said: The campaign against the clergy is the last effort of the liberals. It would be sheer simple-mindedness to think that those who are attacking the clergy are simply against the clergy. In order to find the reasons behind such opposition three factors must be clarified: the nature of the clergy, the world view of those who are attacking the clergy and finally what are the reasons for clashes between the group opposing the clergy and the clergy.

As for the nature of the clergy, generally they are the group whose main objective is the promotion and safeguarding of the teachings of God for the salvation of humanity. To this end they have gone beyond mere slogans and have implemented these codes and teachings in practice. Since the clergy themselves are the living examples of self-sacrifice and devotion, as a result, they are close to the public and an emotional bond exists between them and the people.

On the basis of this reality, said the newspaper, the relations of the people with the clergy have two characteristics: that the people are following the clergy and not vice versa and that the only criteria in such a relationship are the divine teachings. This is why the clergy has a special place in the society and is highly respected, the ultimate manifestation of which is the Imam and his line.

It is this same respect that arouses the animosity and hostility of the group who are thinking of seizing the role of leadership in the country. History proves that the clergy is the strongest barrier against despotism and power hungry political leaders, stressed the editorial. In the opinion of the newspaper, political leaders throughout history, in an attempt to damage prestige of the clergy have resorted to various maneuvers and these persons could be divided into three groups: first, those who believe in Marxism and who thus consider religion as the "opium of the masses." The second group are those who act in a sneaky manner and wanted to discredit the clergy insinuating some ties between them and the feudatories. And the third group are composed of those who find it impossible to isolate the clergy in the society due to the respect that the clergy has in the society and who thus resort to the slogan of the separation of religion from politics.

In other words these people want to use religion as a tool when it deems them necessary and useful and then to put it aside under the pretext of the separation of religion and politics.

According to Sobh-e Azadegan, the reason for the opposition of certain people against the clergy in our society is one of the above mentioned three.

The first group are the leftists, communists and those who believe in materialist world views. The second group are capitalists who are fans of a class oriented society and who seek to preserve their interests by resorting to every means. The best example of this group in our society are the big land owners, factory owners and capitalists. And finally the third group are liberals and opportunists who have realized the depth and dimensions of the role of the clergy in our society and thus are trying to separate religion from politics. This group includes irresponsible and westernized intellectuals, those who had high positions and posts under the toppled regime and who have been purged after the revolution, as well as the rest of the bourgeoisie.

The interesting point is that there is too much contradiction among the three groups to make any alliance between them truly possible, however, the only factor that has made them to form a coalition in this period of Iranian history is that they are all in danger, pointed out the newspaper.

Ever since the victory of the Islamic Revolution they have made efforts to save their positions such as their opposition to the Constitutional Law of the Islamic Republic when it was being drafted. At the time of the approval of the law they wanted to strip it of its Islamic content and color. It should be kept in mind that those who are opposing the clergy have nothing against them as people, rather, they are against Islam as such which is being presented and promoted by the clergy.

It is exactly in this context that Imam Khomeini, the Leader of the Revolution and the Founder of the Islamic Republic, stressed that the objective of the plots of the United States and its stooges is not this clergyman or that the individual.

Their only aim is the destruction of Islam. It becomes clear that by attacking and seeking to discredit the clergy the stooges of the foreign powers aim at destroying the Islamic Republic, concluded the editorial.

REVOLUTIONARY FERVOR EXHORTED

Tehran TEHRAN TIMES in English 10 Dec 80 p 2

[Editorial]

[Text]

TEHRAN - The weekly Ommat (nation), the organ of the Militant Moslem Movement in its latest issue in an editorial discussed the responsibility of the revolutionary forces.

Internalization of plots by Imperialism and its stooges in the region, all of whom are serving the aggressive aims of the United States against the Iranian Revolution, accompanied by the expansion of the activities of the liberals who are also not independent of the U.S., raises the question, where the revolution is heading and what dangers threaten it and what should be done?

To answer these questions we should identify the power behind the revolution which has been able to keep the revolutionary movement alive despite all the ups and downs and bottlenecks and repeated intrigues of Imperialism. To this end we should take a brief look at the pre-revolutionary conditions in the country.

It is clear that in those days the forces who took to the streets in response to the call of our uncompromising leader to counter the bullets of the deposed regime with the cry of "God is Great" are the true founders of the Revolution.

These forces consist of the oppressed, deprived and faithful youth of the country as well as the militant clergy who after the triumph of the Revolution are working in various revolutionary foundations such as the Reconstruction Crusade, the Revolutionary Guards Corps without any selfish interests.

These forces have wholeheartedly devoted themselves to the cause of the Islamic Revolution and are serving in the most remote parts of the country.

It is not surprising that the most severe attacks of Imperialism have been directed against these revolutionary forces and a tirade of propaganda of foreign news agencies and other mass media of the world are aimed at discrediting these organizations and destroying these forces. In addition to such attacks by the imperialists their domestic agents are also using all their efforts to weaken the revolutionary front. The article identified these reactionaries as the feudal leaders and aligned businessmen as groups who are serving the interests of Imperialism.

The greatest danger threatening the Revolution today is a gradual tendency towards indifference and passivity on

the part of those who were loyal to the cause of the Revolution. The Revolutionary forces could be partly blamed for such a tendency because in spite of their efforts they have not been able to form a strongly integrated process in order to take the destiny of the Revolution into their own hands.

Once again the historical weakness of the oppressed who have suffered the greatest but have gained the least is being repeated. The underlying reasons for such weakness could set the necessary guidelines for the progress of the revolution. In the opinion of the newspaper the following shortcomings have contributed to the failure of the devoted revolutionary forces to represent the movement of the oppressed masses:

1. Lack of the historical outlook and the absence of an ideological analysis of the Revolution.

2. Failure to establish accurate ideological demarcations for further strengthening the Revolutionary front. This failure has resulted in the emergence of reactionary and opportunist elements in the ranks of the Revolution. The behavior of these people has contributed to the development of liberals within the country and has provided a subject for propaganda against the Revolution outside of the country.

3. Another historical weakness of the Islamic movement is the lack of an ideological organization for a long term campaign concerned with the emergent needs of the Revolution which, together with wrong publicity of the reactionaries, has given way to the development of an anti-organizational spirit within the young Moslem revolutionaries.

4. Silence towards and in some cases tacit approval of unreasonable purges of people from various organizations and institutions which has resulted in the discouragement of true revolutionary forces because some of them lost their jobs simply for reading some publication or voicing criticisms.

The article concluded by stressing that the main duties of the Revolutionary forces are to study and overcome these shortcomings in order to promote the Revolution and to make it immune from foreign and domestic intrigues.

MORE PRIVATE SCHOOLS CLOSED

Tehran TEHRAN TIMES in English 10 Dec 80 p 1

[Text]

TEHRAN - A total of 130 international and national schools were closed down in Tehran alone in a drive to have the educational system adjusted with the aims of the Islamic Republic, said Hojatoleslam Dr. Mohammad Javad Bahonar yesterday.

The comments of the Minister of Education came in an open session of Islamic Consultative Majlis (Parliament) yesterday in response to a series of questions raised by Tehran's deputy Dr. Sahabi in the educational field.

Bahonar told the House that previously these schools were administered with a budget of Rials 100 billions "and right now we are trying to take this amount from the people for the people."

"Following Dr. Bahonar's speech," said Pars, "Dr. Sahabi read a report on his own research of private schools."

"It was then decided that Dr. Bahonar reply to other questions of Dr. Sahabi in the next session of Majlis to be held today."

Pars said an amendment to some point of the bill "aimed to intensifying the punishment of narcotics offenders" as well as "limiting the security and medical treatment facilities for the cure and rehabilitation of the drug addicts" were passed up the Parliament.

The Parliament has reportedly delegated the study of these amendments to the judicial and health committees of the Parliament for further investigations.

Pars also reported that a pre-agenda speech by the Karg deputy drew objections of a group of Parliament members at one point.

Dr. Mahmoud Razi Hanjani charged that objection purges from the state offices based on an inaccurate prepared list of the members of the hated secret police of shah - the SAVAK developed into creation of more anti-revolutionaries in the society.

Hanjani said sources of innocent people were purged after wrongly branded with the label of being the agents.

SAVAK

The results of such purges led to an alignment of innocent people with the anti-revolutionary groups and it could not solve the scheduled problems efficiently, said the deputy.

Hanjani believed such a development to be one of the most important issues that created difficulties for the revolution and said the Savakis should be punished but such negative aspects arising as a result of the wrong purges unnecessarily destroyed the lives of many families.

BRIEFS

SECURITY WARNING--Tehran--All Tehran residents are advised not to provide information and statistics to unidentified door-to-door callers requesting this information, the Tehran Security Command announced yesterday. PARS reported yesterday that incidents of persons posing as statistic gatherers and refusing to identify themselves have occurred. The Security Command advises that if a program for gathering statistics is begun then it will be first be publicized by the Supreme Defense Council and then all Security Command officers working in the program will present their identification card containing a photograph when requesting information. [as published] [Text] [Tehran TEHRAN TIMES in English 9 Dec 80 p 2]

TEHRAN POPULATION GROWTH--Tehran--The population of the capital is now more than six million and efforts are being made to determine the exact number of Tehran's residents, said Tehran Municipality Mayor Mohammad Tavasoli yesterday. The mayor said that the minimum age for registration in the census will be 16 years because the same age has been fixed for entitlement to vote in the general elections. [Text] [Tehran TEHRAN TIMES in English 9 Dec 80 p 2]

REFUGEES HOUSED--Tehran--100,000 people who left their homes in the war-ridden areas as a result of the ongoing Iran-Iraq war were accommodated in the Lorestan province, said the provincial governorate sources. Earlier reports said that 35,000 war-ridden refugees were also housed in the Kazeroun area. [Text] [Tehran TEHRAN TIMES in English 10 Dec 80 p 2]

EMERGENCY BUDGET--Rasht--A sum of 1,500 million rials has been allocated from an emergency budget to the province of Gilan, announced the Governor General of the Province, Engineer Ansari, yesterday. PARS NEWS AGENCY reported that the emergency budget approved by the Revolutionary Council was discussed in a seminar of Governor Generals in Tehran. Ansari, following his return to Rasht, told PARS that approximately 1,900 war refugees had been settled in Gilan. He also advised that a command will be created to control the price of everything except fish. [Text] [Tehran TEHRAN TIMES in English 10 Dec 80 p 1]

POWER RESTRICTIONS--Tehran--A "War-time" ban was imposed on "decorative, extravagant, and unnecessary" use of lamps and neon for 24 hours of the day in offices, shops or residences and violators of these orders were to be prosecuted, said an Energy Ministry spokesman. The 4-point communique said the excessive

electricity users should know that their evil move under this sensitive and war-time period leading to shortage of energy in the country "could endanger the lives of innocent human beings who require treatments in the hospitals." An energy communique asked all shopkeepers, automobile sales offices, decorative shops and boutiques etc. to immediately cease using decorative lightings and neon which consumes a large amount of electricity. All ministries and government offices were requested not to lit up extra bulbs in the offices during the light of the day. [as published] [Text] [Tehran TEHRAN TIMES in English 8 Dec 80 p 1]

QALKHANI TRIBES PROTEST--Tehran--The representative of Qalkhani tribes efforting to mobilize nearly 50,000 Qalkhani residents of the border area against Iraq has charged that the government organs were mistreating and unjustly executing the clans and trying to create another Kordistan. In a talk with an evening Persian daily published Thursday, Sayyed Hassan Khamooshi appealed to the President and Imam Khomeini for elimination of several injustices to the Qalkhanis so that all efforts are exerted to drive the Ba'athist forces out of Iran. [Text] [Tehran TEHRAN TIMES in English 6 Dec 80 p 1]

INVESTMENT RULES REVISED--Tehran (PARS)--An informed source at the Ministry of Economic and Financial Affairs told PARS yesterday that the regulations of the Organization for Investment and Economic and Technical Aide of Iran would be revised in order to remove certain items which were not in line with the genuine Islamic Revolution of Iran. He added that the new regulations, according to which economic policies would be drawn and economic and financial co-operation with other countries and international institutions would be enforced, would be completely coordinated with the needs of the revolutions. In the new regulations, he said, the objective was to attract more local investment and to achieve a self-sufficient industry. [Text] [Tehran TEHRAN TIMES in English 6 Dec 80 p 1]

CSO: 4920

CENTRAL BANK DENIES FLIGHT OF FUNDS

Kuwait KUWAIT TIMES in English 23 Nov 80 p 3

[Text] The Central Bank of Kuwait has denied reports of any large outflow of funds from here as a result of the current Iraq-Iran war.

A reliable source at the bank reiterated yesterday that the war had, in no way, affected the financial and commercial circles here.

The source said that the bank not set any ceiling on transfer of funds abroad.

But the financial and commercial circles here firmly believe that the high rates of interest prevailing in US and Europe has lured away a substantial sum of investible funds abroad.

The narrow investment and production base of the economy, they believe, cannot absorb the huge resources.

Higher

However, on the Euro-dollar market commercial banks in Kuwait have been advised to accept deposits at rates far higher than the previously set limits.

Deposits in Euro-dollar currency is now quoted by commercial banks at 16 per cent which is the prevailing rate in international markets, it is learnt.

The ceiling set for time deposits in the KD market remains at 10 per cent the source added.

The easing of Euro-dollar market here has, however, given a fresh incentive for depositors to retain their money here, these sources believe.

Meanwhile, the Assistant Undersecretary for Investment and Financial Affairs in the Ministry of Finance Bader Al Rashed has said that the current hardening of dollar could have no impact on the Kuwaiti dinar.

He said that the dinar was not pegged to the dollar and the fluctuations in dollar rates might not affect the KD in any way.

The current hardening of the dollar, the official said, was mainly due to the increasing interest rates in international markets.

The proposed financial and monetary policy of the incoming U.S. President Reagan had also contributed to the market sentiment, he added.

CSO: 4820

NEW SCHEME FOR EXPATRIATE SHARES DISCUSSED

Kuwait KUWAIT TIMES in English 24 Nov 80 pp 1, 2

[Article by K. P. Mohanan, business editor]

[Text] For the first time, non-Kuwaiti residents will soon have chances to invest in Kuwaiti shares, stocks and other sectors of financial market and trading, if a Kuwait Finance Centre (KFC) scheme finds its way through.

KFC Vice-Chairman and General Manager Jassem Al Mousa told KUWAIT TIMES in an exclusive interview that the scheme would facilitate maximum participation of potential expatriate investors in the local financial sectors.

Being one of the leading financial institutions with many pioneering attempts to its credit, KFC is optimistic of the successful promotion of this scheme as soon as it gets government approval.

The KFC Board of Directors, under the chairmanship of Sheikh Ali Sabah Al Salem Al Sabah will present the new scheme to the concerned ministries soon.

At present no expatriate can invest in local equity because of the existing laws and regulations. Basic changes in the commercial and financial laws are essential for the execution of the proposed scheme, Jassem indicated.

As this involves fresh policy decisions, there will be some delay in the official process regarding this proposal, he added.

However, KFC is optimistic of getting the green signal from the government since this scheme would help the local financial system to absorb more capital, as well as giving the potential expatriates a chance to invest their money in a sound currency like Kuwaiti dinar, Jassem said.

This project would boost the activities on local stockmarket, and expand the scope of financial activities here, he added.

Expecting the government approval, KFC is planning to set up a company to carry out this ambitious scheme. The company is to encourage investments by the expatriates and to act as a medium of investment between expatriates and local firms, KFC general manager said.

Now some expatriates are investing in local equity in the name of their Kuwaiti associates or friends.

As these sort of deals are not legally bound, element of risk is greater in such deals, Jassem pointed out. Under the proposed scheme such risks could be avoided and this in turn would help boost the growth of capital market here, besides generating confidence among expatriates in the financial system of Kuwait, he commented.

Since the expatriates are not permitted to invest in Kuwaiti stocks and shares, even the stability of dinar as a solid currency is failing in preventing the massive outflow of funds to other sectors of foreign exchange, the General Manager said.

The scheme for a solid system to mediate between the expatriates and local financial markets is aiming at containing the huge capital flow from this country to distant financial centres, Jassem added.

CSO: 4820

STAKE IN SAVOY HOTEL GROUP INCREASED

Kuwait: KUWAIT TIMES in English 21 Nov 80 p 2

[Text] LONDON, Thurs. — The Kuwait Investment Office here, part of the Ministry of Finance, has stepped up its investment stake in the Savoy Hotels group, in a deal worth about £1.4 million (\$3.3 million).

The office has bought another 1.1 million Savoy "A" shares, giving it 33 per cent of this class of stock in the Savoy group.

Overall, Kuwait now owns around 20 per cent of the total voting shares in the group, which operates some of London's best-known hotels, including the Thames-side Savoy itself.

The investment office is already on record as stating that its interest in the Savoy group is purely for investment purposes, and it is understood not to be considering a full take-over bid.

Meanwhile, Kuwait Foreign Trading, Contracting and Investment Company sources said the firm would co-manage an issue valued at \$110 million for the benefit of the Kingdom of Sweden.

The sources said the issue would be due in 1988. Its floating interest is 0.25 per cent above the common

UK banks interest.

The price of the issue is expected to be hundred per cent. It will be registered at the Luxembourg Stock Exchange, the sources said.

Solomon Brother International will lead the issue.

VIEWS

The Chairman of the Central Bank of West Germany, Karl Otto Pöhl on Wednesday met with Kuwait Central Bank Governor Hamzah Abbas Hussein and the Director General of the Kuwait Fund for Arab Economic Development, Abdulstef Al Hamad.

Pöhl said that his visit to the country was meant to exchange views on a number of international monetary issues. He said he wanted to be acquainted with the Kuwait monetary system.

"We did not explore any matters relating to getting a loan from the Kuwait Government as this issue is a government one and should be dealt with through the Government of West Germany" said Pöhl.

BRIEFS

MINERAL WATER PLANT—A mineral water bottling company is to be established this month in Kuwait and will start production by early 1982, according to a spokesman for the Kuwait Industrial Bank. He said that the Kuwaiti government will have 40 per cent of the KD 600,000 capital, the Bank 30 per cent while the Public Institute for Social Security, KIC and KTCFIC will hold each ten per cent of the capital. The project will be established in the Howdattain field and is aimed at producing 12 million bottles annually. It will cost 1.5 million dinars. The feasibility study was conducted with the cooperation of two French companies, Vittel and Evian. The study established that the field's water was gas-free and contained a percentage of mineral salts which meets local specifications. [Text] [Beirut THE ARAB WORLD WEEKLY in English 22 Nov 80 p 24]

PARIS REAL ESTATE INVESTMENT—Banque Arabe et Internationale d'Investissement (BAII), the Paris-based investment bank said last week that it concluded two real estate operations for a total amount of about FF 250 million on behalf of private Kuwaiti interests. The bank said it had acquired a majority interest in Societe de la Reunion Fonciere, a real estate company belonging to the Banque pour le Gestion Fonciere, (BPGF). La Reunion Fonciere owns some choice properties in central Paris, notably on the Avenue Champs Elysee. In a second operation, the Kuwaiti group will increase its shareholding in Societe Mongoual, another real estate company which owns among others the building formerly occupied by the Rhone-Poulenc Chemical Group in Central Paris. Mongoual's capital was previously shared 50-50 between the Kuwaiti interest and BPGF. [Text] [Beirut THE ARAB WORLD WEEKLY in English 22 Nov 80 p 24]

AUSTRALIAN INVESTMENT—The Kuwait Foreign Trading, Contracting and Investment Company last week announced that it will co-manage with the British Hambros Bank a \$25 million issue for the Australian Thomas nationwide transport Ltd. The maturity of the issue is for a period of 10 years repayable in 1990 at an annual interest of 8.5 per cent and an issue price of 100 per cent. [Text] [Beirut THE ARAB WORLD WEEKLY in English 22 Nov 80 p 24]

COMANAGEMENT OF NOMURA BONDS—The Kuwait International Investment Company will co-manage with the Nomura Europe N. V. bonds convertible into shares for the interest of the Japanese Nippon Sheet Glass Company Limited, sources in the Kuwait company reported yesterday. The issue, which equals \$15 million will be due in 1987 with an interest rate of 7-1/8 per cent payable semi-annually. Registration will be made at the Luxembourg Bourse, the source said. The sources said this was the second issue of its kind in Japanese yen and payable in US dollars. Al Ahli

Bank of Kuwait and other European banks will co-manage the issue the source said. A contract to this effect was concluded last week in Bahrain. The Kuwait International Investment Company was represented by the Vice-Chairman of its Board of Directors and delegate member Salah Al Marzouk. [Text] [Kuwait KUWAIT TIMES in English 24 Nov 80 p 3]

AIRBUSES, ENGINES--Kuwait, Dec. 6 (R)--The Kuwait Airways Corporation Saturday signed a contract to buy six European Airbus A310SP worth almost one billion dollars. The first of the aircraft, which will all be equipped with American Pratt and Whitney engines, will be delivered in March 1983, an airline spokesman said. He said the company would buy another five Airbuses but the choice of engine for these had not yet been made. The total cost of all 11 aircraft would be nearly one billion dollars, including extras such as training, he added. The Beirut-based Middle East Airlines announced plans on Nov. 24 to buy five Airbuses worth \$350 million. The sources said Kuwait's choice of engine would be a blow for Rolls-Royce of Britain, which is interested in providing RB-211 engines for the planes of all the Airbuses ordered so far have American engines, and Kuwait Airways said it had repair facilities for Pratt and Whitney engines. [Text] [Jiddah ARAB NEWS in English 7 Dec 80 p 1]

MONEY SUPPLY UP--Money supply has increased at a rate of 29 per cent during the financial year 1979-80 according to a report released here yesterday by the Kuwait Central Bank. The annual report of the Bank reviewing financial and monetary activity for the year ending June 30, 1980 said that the increase in circulation and expansion of money supply is mainly attributable to the growth in government spending and slowdown of the transfer of private capital abroad. The report also said that a major aim of the monetary policy is to restrict money supply. Increased money supply meant a high liquidity situation which in turn have great bearing on supply and demand positions. A balanced money supply, the report said, can considerably restrict the demand position and can avoid the harmful effects of inflation. [Excerpt] [Kuwait KUWAIT TIMES in English 28 Nov 80 p 2]

SPANISH, UK LOANS--London, Sun.--The Kuwait Foreign Trading, Contracting and Investment Company is arranging a \$45 million loan to one of Spain's big motorway agencies--Autopistas Vasco-Aragonesa Concesionaria Espanola, according to London bankers. The six-year financing will also be supported by Banco Arabe Espanol, with four other banks also participating, they said. In another development a British company, Pirelli General Cable Works Limited, has raised about \$15 million loan in Kuwait, according to bankers here. The financing was guaranteed (as published) by Britain's Midland Bank, and provided by the Industrial Bank of Kuwait, the National Bank of Kuwait and the Kuwait Public Institution for Social Security. The use of the Kuwaiti loan has not been identified, but the company manufactures a wide range of high tension electrical cables.--KUNA. [Text] [Kuwait KUWAIT TIMES in English 8 Dec 80 p 2]

CSO: 4820

SAHARAN WAR CAUSES RISE IN MILITARY SPENDING

Beirut AL-NAHAR ARAB REPORT AND MEMO in English 24 Nov 80 p 5-6

[Text] Allocations for military spending have risen by 12.7 per cent since last year to MD 4,779 million (\$1,175 million) and represent 39.9 of the Moroccan state budget for 1981, it was announced last week. The increase, which has contributed to a budget deficit of about MD 3 billion (\$750 million), reflects the heavy toll which the war against the Western Sahara liberation front, Polisario, is exacting on the national economy.

The budget figures suggest that the government is financing the war through indirect, rather than direct, taxation. The former, which affect all classes or society, are expected to rise by MD 900 million (\$225 million) to MD 6.1 billion (\$1.5 billion), while direct taxes are expected to bring in MD 4.7 billion (\$1.2 billion), only MD 300 million (\$75 million) more than in the current fiscal year.

Reports from Rabat last week said, however, that tax reforms were planned and suggested that these might pass a greater share of the burden to the better off members of society.

The reports pointed out that the allocations for military spending are not sufficient to cover all Morocco's expenses in that field; some items of equipment have been paid for by other countries, in particular Saudi Arabia, the reports explained.

Customs revenues are expected to increase by MD 1.1 billion (\$270 million) to MD 4 billion (\$1 billion), providing a further indication that the government is relying on the consumer to pay for the war. The austerity policy adopted three years ago has been severely criticised, the reports said, because the heavy taxes slapped on imported goods have forced many traders and manufacturers to tighten their belts, while encouraging a flourishing black market.

One surprise in the figures is the sharp rise in investment spending, which is seen as increasing by more than 18.6 per cent to MD 9,996 million (\$2,458 million)—this figure is not included in the state budget, which covers only sums earmarked for various ministries. Administrative expenses have been heavily swollen, largely by increases in civil service salaries, to MD 15,356 million (\$3.8 billion), an increase of more than 21.5 per cent.

CSO: 4420

CEMENT PLANT NEARS FULL CAPACITY

Kuwait: KUWAIT TIMES in English 26 Nov 80 p 3

[Text] **BAHRAIN, Tues.** — The Middle East's largest integrated cement factory, being built in the Saudi Arabian desert, expects to begin full production by July next year, the Saudi-Bahraini Cement Company said today.

Testing of the first kiln at the 1.7 billion Saudi riyal (\$510 million) plant is under way and large-scale production of cement from the 1,500-tonne-a-day unit is expected to begin in January, general manager Zaher Hussein said.

Three other kilns, each with a similar capacity, are expected to be phased in by July, he told Reuters in a telephone interview from the company's headquarters in Dammam, Saudi Arabia. Total plant production will be about two million tonnes a year.

PLANT

Saudi-Bahraini Cement, which has authorised capital of 1.2 billion riyals (\$300 million) 50 per cent paid up, is 85 per cent owned by Saudi Arabian shareholders and 15 per cent by the Gulf Enterprises Company of Bahrain. The Enterprises Company, owned by the Bahrain government and about 20 leading Bahrainis, was formed about a year ago to take part in industrial joint ventures. Saudi-Bahraini Cement

was set up five years ago and construction of its plant at Ain Dar, 100 kms south-west of Dammam on the Saudi Gulf coast, began in 1979.

The cement plant, built in the bare desert, has its own power plant, quarries, a housing estate for over 1,000 people and a 21-mile natural gas pipeline linking up with the Arabian American Oil Company (Aramco). The company also has its own heavy transport.

Output will be consumed in Saudi Arabia and Bahrain, although the company has the option to sell to third countries if necessary, Hussein said.

The raw materials will come mostly from Saudi Arabia, including limestone and clay from the company's quarries and gypsum from Oqair in Saudi Arabia. Iron ore and bauxite will be imported.

Hussein said financing for the plant is coming from stockholders, the Saudi Industrial Development Fund and lines of credit were also available from commercial banks in the kingdom.

Prime contractor for the plant equipment and erection was Ishikawajima-Harima heavy industries company of Japan. — Reuter.

BRIEFS

ALUMINUM ROLLING MILL—Doha, Dec. 5 (OPECNA): The seven members of the Gulf Organisation for Industrial Consulting (GOIC) have agreed on the final formula for the establishment of an aluminium rolling mill in Bahrain. Sources of the Doha-based GOIC said the organisation's preparatory committee, which concluded a two-day meeting here this week, is due to meet again in Manama, to prepare the final documents for signature by the Ministers of Industry of the GOIC member countries. The mill, scheduled to start production in 1983, will have a capacity of 40,000 tons of aluminium and strips, intended for sale to the Gulf countries, with the surplus going for export to the international market. Sixty percent of the mill's financing will come from the company's 100-million-dollar capital, and 40 percent through soft loans from government development banks and funds. Meanwhile, the GOIC, which groups Qatar, Kuwait, Saudi Arabia, the United Arab Emirates, Iraq, Oman, and Bahrain, is considering stepping up aluminium production in the Gulf region to over one million tons per annum during the 1980s. Currently, primary aluminium in the region totals some 300,000 tons annually through Bahrain and Dubai aluminium smelters. [Text] [Abu Dhabi EMIRATES NEWS in English 6 Dec 80 p 3]

CEMENT PLANT—The Ras Al-Khaimah Cement Plant, the UAE-based producers of white cement, will soon enter the Kuwait capital market with an issue of fifty thousand shares, it is learned. The subscription will close in January or earlier, informed sources said. The company proposes to raise 500 million UAE dirhams through the fresh issue. Thirty per cent of the new issue is reserved for Ras Al Khaimah company board of directors and their friends and relatives. Fifty per cent of the shares will be traded in the Kuwaiti market and the remaining is allotted for other Gulf institutions and individuals. The Ras Al Khaima plant specialises in investment, financing, trading and management consultancy apart from the production of cement. [Text] [Kuwait KUWAIT TIMES in English 3 Dec 80 p 3]

CSO: 4820

RULES ON MARRIAGE TO FOREIGNERS EXPLAINED

Jiddah ARAB NEWS in English 21 Dec 80 p 2

[Text]

JEDDAH, Dec. 20 — Interior Minister Prince Naif criticized the high cost of marriage in the Kingdom and called for economizing both bridal money and the ceremonies organized by the families on both sides. Under Islamic rules the bridegroom must pay a certain amount of money to the bride to prepare herself for the wedding.

Speaking in an interview with the London-based *Al-Majalla* magazine, Prince Naif said there should be a wide-ranging publicity campaign urging people to save on the extravagant cost of marriages which is discouraging young men from proposing or, at least forcing them to delay their plan.

"The high cost of dowries is, in my opinion, one of the deeply-entrenched social problems which cannot be eliminated overnight," he said. "Nor will it be solved by official decrees."

Prince Naif said the government did not interfere so far in hope that the parents themselves will realize the folly of extravagant demands and costly celebrations. "The problem does not affect the men only, but the women as well. Besides, even in the case of decrees limiting the amount of dowries, the

parents may decide to circumvent the law by secret agreements to increase the amount.

He appealed to parents to realize the importance of marriage and that the cost of it is not the guarantee of its happiness. On the contrary, it may well be that of its misery. Regarding marriage of Saudi Arabians to foreigners — male or female — he said it was being regulated by the government for special reasons. It is not prohibited by the Islamic sharia, but the government had to step in to restrict it, except in certain cases.

The non-Saudi spouse must be of good character and not undesirable on grounds of personality, nationality or religious or some other ideology disapproved by the sharia. Besides, there should be some convincing justifications for wanting to marry a foreigner.

In the case of a woman wanting to marry a foreigner here the ministry will insist on at least five years residence in addition to other justifications. Those who violate the rules will be penalized by dismissal from government employment or cancellation of his or her scholarship if they happen to be studying abroad at government expense.

PORT DEVELOPMENT PACT SIGNED WITH PHILIPPINES

Jiddah ARAB NEWS in English 21 Dec 80 p 1

[Article by Joe Pavia]

[Text]

MANILA, Dec. 20 — Saudi Arabia and the Philippines Saturday entered into a technical cooperation agreement for the development management and operation of their ports. The agreement between the Saudi Arabian Ports Authority and the Philippine Ports Authority (PPA) is in the form of a memorandum of understanding. It was signed by Minister of State and Ports Authority President Dr. Faysal Badr and Philippine Public Works Minister and PPA Chairman Alfredo Juinio during simple ceremonies at Malacanang Palace.

President Ferdinand Marcos and Ambassador Fawzi Abdul Majid Shobokahi also signed as witnesses to the three-year agreement which provides for manpower development, exchange of expertise, consultations, construction and maintenance, inter port relationships and other possible areas of cooperation.

According to a ~~Malacanang~~ press statement, Badr hailed the agreement saying that this "important document" will enhance the relationship between the two port authorities, and that the agreement outlines better conditions for Filipino workers now in Saudi Arabian ports and for future recruits.

With respect to manpower, the agreement calls for a program to train and develop port workers, including the setting up of training centers and facilities and provision of trainers. The agreement also provides for cooperation along with exchanges of technical information in the construction and maintenance of ports.

To enhance international understanding and seaborne trade, a sister port relationship between selected ports in the two nations will be started. In the field of technology transfer, there will be exchanges of officials and technical personnel, while consultants from both countries may be asked to undertake studies to improve on-going management and operation systems.

The mechanics, terms and conditions of each program or area of cooperation will be set forth in implementing agreements between the pertinent departments of the two countries. The memorandum of understanding will last for three years starting Saturday and shall remain in effect unless terminated by either country by giving a six-month prior notice.

Before going Malacanang for the signing ceremony, Badr was briefed on PPA operations, prospects and problems by its officials led by general manager Col E.S. Badig Jr. the hour-long briefing stressed the PPA's policy to develop small ports rather than construct big ones.

Badig told Badr of the 19 major Philippine ports, nine are located in southern Philippines where the muslim population is concentrated. Badig said the ports development in the south is in line with the president's efforts to accelerate trade and commerce in Mindanao and provide more job opportunities to Muslim Filipinos.

After the briefing Badr and his party toured the PPA facilities at both the Manila north and south harbors. These two ports are the biggest in the country, accounting for more than 50 per cent of the total seaborne trade volume.

CHINA EXPERTS AGREE TO AID LOCAL PROJECTS

Jiddah ARAB NEWS in English 14 Dec 80 p 2

[Text]

JEDDAH, Dec. 13 — The Republic of China has agreed to send a number of experts to the Kingdom to help in computer control, road building and postal services.

The agreement was reached during the recent meeting of the fifth session of the Sino-Saudi Joint Committee for Economic and Technical Cooperation held in Taipei earlier this month. The agreements covered cooperation in industry and electricity, trade, agriculture, science, technology, finance, shipping and communications.

In communications, both sides agreed to revise and expand the technical cooperation of the ministries of communications of the two countries. Taiwan will send four communications officials to the Kingdom to help manage computer system control of the ministry of communications. Several technicians will be sent to study a road project and two postal specialists will be sent to assist the post office here to solve technical problems.

In industry and electricity, both sides decided to construct a joint methanol plant and cooperate in power development in the Kingdom and to consider cooperation in ship repair and shipbuilding. However, this area has not been spelled out in detail at this stage. The delegates agreed on closer cooperation

between the national shipping lines of the two countries.

Both nations will take measures to prevent trade disputes and make visa procedures easier for visits by businessmen to and from both countries. China promised to train Saudi Arabian quality control personnel in electrical appliances and textile industries, and agreed to ask Chinese exporters to supply sugar, cement, steel products and other goods for the Saudi Arabian market. Chinese traders also will continue to hold exhibitions in Saudi Arabia.

In agriculture, the Chinese will train Saudi farm workers and will send experts to study the feasibility of private investments in farming here. Both sides also agreed to promote private fishery and fresh water fish culture joint ventures.

In science and technology, both governments agreed to study the possibility of cooperation in single cell protein production. This proposal will be referred to the next conference for detailed discussion. They also agreed to increase to seven the number of satellite communications channels from the present four. Taiwan will provide Saudi Arabia microwave and coaxial cable system technology.

BUSINESSMEN URGED TO BOOST INVESTMENTS

Jiddah ARAB NEWS in English 9 Dec 80 p 1

[Text]

AL KHOBAR, Dec. 8 — A government official Monday called on delegates of more than 400 companies at Sauditech '80 exhibition to double investment efforts and make use of government incentives.

Deputy Minister of Industry and Electricity, Yusef Al Hammad speaking on behalf of Dr. Othman Aljosaifi, was addressing a two-day seminar of businessmen at Aljosaifi Hotel and Exhibition Center here, one day after the formal opening of Sauditech '80 Sunday.

He thanked Tihama and Middle East and Trade Exhibition of London for organizing the industrial fair.

Tihama director general Sheikh Muhammad Said Tayeb said it was important for the Saudi Arabian business community to be aware of the latest available technology. He commended the efforts made by Dr. Aljosaifi and Hammad in making the exhibition a success.

A seminar on the training of skilled manpower in the Kingdom was held at the Aljosaifi Hotel here. It was chaired by Dr. Abdul Rahman Al Zamel, deputy governor of the General Organization for Electricity, and included leading Saudi Arabian officials. One of the speakers Abdul Aziz Al Zamel, vice-president of the Saudi Basic Industries Corporation, SABIC, said the government was very concerned about industrialization and was doing its best to encourage the private sector to invest in industry. Sheikh Tayeb and other senior officials of Tihama also took part in the discussions.

Major national companies, including SABIC, Saudi metal, and Saudichem, are

taking part in the exhibition. Many are seeking foreign firms as partners to participate in joint ventures.

Dr. R. Roberts, chairman of the International Technology Group, U.K. Board of Trade also said that joint ventures are answer to the problem of technology transfer.

Asserting that such ventures will actually stimulate indigenous skills, Dr. Roberts used the example of Unilever in India which adapted development modification to use local materials and financing.

Stability, he told *Arab News*, was essential for the long-term exercise which joint ventures can represent. He stressed the importance of technology transfer for the U.K. which annually exports £600 million worth of know-how.

The formation of an institute for technology transfer to act as a clearing-house to decide what sort of technology is required is presently under discussion between the EEC and Arab countries. Roberts, who heads the task force assigned this job, said that the ground rule and profile of the project have already been established.

Another speaker at the two day conference was Mr. Ron L'Hermendieu, Project Director of Yanbu Industrial Township, who commented on the development of Yanbu in the context of the Western Region.

The design for the town which will house 135,000 by the year 2,000 has been completed and construction of a permanent infrastructure is starting. A training facility at Yanbu where the present work force numbers 13,000 will be finished in July with the completion of the permanent facility scheduled 18 months from now.

[Photo caption]

Sauditech '80: Organizers and government official at the opening of Sauditech '80 being held at Aljosaifi Hotel and Exhibition Center. From left are: Nasser Nayar, director of Middle East Trade and Exhibitions; Sheikh Muhammad Said Tayeb, director general of Tihama, Sheikh Said Al Munagel, president of Dammam Chamber of Commerce and Industry, Hassan Bashawri, Tihama director of public relations Youssef Al Hammad, deputy minister of electricity and industry and deputy minister of electricity and industry, and Mounir Tadros, general manager of the hotel.

FOOD SUBSIDIES INCREASE 275 PERCENT

Jiddah ARAB NEWS in English 11-12 Dec 80 p 1

[Text] Riyadh, Dec. 10 (SPA)—Government food subsidies soared to 275 per cent for the first half of this year compared with the same period last year, Information Minister Dr. Abdo Yamani said Wednesday.

He said that food subsidies in the first six months of this year totaled SR 1.5 billion, against SR 800 million for the whole of the year before.

The minister credited the government's internal trade policy for its "great efforts in providing citizens and pilgrims with abundant commodities and at competitive prices.

Dr. Yamani added that the government will continue to subsidize basic foodstuffs, including rice, fats, oil, meat, dairy products and fodder.

He cited as an example the subsidy of 2.5 riyals per kilogram of powdered milk.

The minister said the subsidy program has also contributed to reducing the prices of basic food items. The cost of living has been dropping at the rate of 1.6 per cent from the record in 1978.

Dr. Yamani said the food subsidies, introduced in 1973, will be maintained as long as the prices of imported commodities remain high.

"Subsidies are an expression of the government's desire to reduce the cost of living and to stabilize economic and social structures in the Kingdom," the minister said. He added that several commodities were being sold at below the official prices as a result of over supply and competition.

The minister paid tribute to the private sector "which receives government support." The private sector, he said, had increased its investment in transport, distribution and stockpiling under government supervision.

Meanwhile, the state has invested heavily in port development to solve the problem of congestion. The Kingdom's ports were expanded and improved and the number of docks increased to 31 in Jeddah and 28 in Dammam. By the end of the second Five Year Development Plan the number of docks is expected to reach 114 in Saudi Arabia, with an overall annual discharging capacity of 40.7 million tons. Moreover, to

ensure a strategic reserve of essential foodstuffs enough to cover at least six months, the government built grain silos and flour mills in Riyadh, Jeddah, Dammam and Yanbu with a capacity of 20,000 tons each. Similar storage facilities are planned in other major Saudi Arabian cities.

The state has always tried to keep the price of cement in Saudi Arabia within reasonable limits, Dr. Yamani said. The state used to allow cement companies to import cement in addition to that produced locally at stable and unified prices, but as a result of greater local production and a stable supply demand ratio, no contracts were signed in 1979 for the import of cement. More cement projects throughout Saudi Arabia will lead to complete self-sufficiency, and Saudi Arabia will be foremost among cement exporters.

Government assistance went beyond foodstuffs and imported goods: huge amounts were allocated for promotion and support of local industry, agriculture and livestock breeding, Dr. Yamani said. When a project is considered beneficial for the state, it provides subsidies and impressive facilities. With fisheries, too, easy long term loans are given covering half the total cost. In some cases, huge subsidies are granted for agricultural projects, such as the palm project. The state gives SR50 for every good quality sapling planted by a farmer, in addition to SR 0.25 for every kilogram of dates produced annually. Subsidies are also given for animal feed to promote the country's livestock resources. SR30 is granted for every head of cattle and SR80 for each camel.

CSO: 4820

FORMATION OF AGRICULTURE DEVELOPMENT COMPANY ANNOUNCED

Jiddah ARAB NEWS In English 10 Dec 80 p 3

[Text] **RIYADH, Dec. 9 (SPA) —** The government will own 20 per cent of the SR 400 million capital of the newly-created National Agriculture Development Company while the remaining shares will be set for public subscriptions. Minister of Agriculture and Water, Dr. Abdul Rahman ibn Abdul Aziz Al-Sheikh, said Tuesday.

Upon the minister's recommendation Monday evening, the Cabinet meeting under Second Deputy Premier and Commander of the National Guard, Prince Abdullah, turned Harad Agriculture and Livestock Production Company into a joint stock company. Dr. Al-Sheikh said the move was part of an overall scheme by the ministry to develop agriculture in the country. He added that the Harad valley project will be the first one to be undertaken by the new company, which will invest in agriculture and livestock breeding throughout the country.

Dr. Al-Sheikh said he had recommended the change to the Cabinet on the basis of an elaborate study prepared by the ministry on

the condition of agriculture in the Kingdom with a view to fulfilling the aspirations of the third Five-Year Development Plan. The new company, he added, will increase cultivated land in the Kingdom for a greater production that will bring about a certain measure of self-sufficiency in agriculture and meat consumption. The company also will store and market its own products.

USM: 4820

SALMAN INSPECTS AL-WASIE PROJECT

Jiddah ARAB NEWS in English 11-12 Dec 80 p 2

[Text] RIYADH, Dec. 10 (SPA) — Riyadh Governor Prince Salman Wednesday inspected Al-Wasie project, 110 kilometers east of here. The project will supply 200,000 cubic litres (or 52 million gallons) of water a day to the capital's residents when completed.

The prince will be accompanied by Dr. Abdul Rahman Al-Sheikh, minister of agriculture and water, and other officials from related departments.

Wase project has been designed in such a manner as to make it possible to boost its capacity by 50 per cent whenever the need arises. And during such expansion work no component of the project would be stopped from functioning. A housing complex adjacent to the project area will accommodate 3,000 workers. The project was split into several contracts including one for well drilling, one for a pumping station, one for the housing complex and one for the installation of pipes and the electricity transmission cables. To date 62 wells have been dug with 400-500 meters depth in addition to another four "control" wells.

The project calls for the installation of two 96 kilometer parallel pipelines with a 1,100 millimeter diameter from the site to four reservoirs near Riyadh. The first is a 25,000 cubic meter reservoir at Wase purification plant. The second is located at Al-Alya region, 35 kilometers from the capital and has a 2,500 cubic meter capacity. The third is a 150,000 cubic meter subterranean reservoir at Al-Rawda district. The fourth is a 640 cubic meter high reservoir again at Al-Rawda. In addition, 62 electric pumps each having a capacity of 35 liter/second will be installed at depths of around 300 meters.

POLICE DEPORT 4,000 ILLEGAL ALIENS

Jiddah ARAB NEWS in English 11-12 Dec 80 p 3

[Text]

JEDDAH, Dec. 10 — More than 4,000 aliens without residence permits have been detained and deported to date from Mecca and Jeddah at the start of a campaign to get rid of "overstayers," according to Brigadier Jaber Abdul Hafeedh, commander of a unit specially detailed to carry out the assignment.

Men of the unit inquire about permits in some areas of the cities and make sure that those who have them also carry them on their persons. Those who don't risk punishment and those without permits altogether are immediately deported.

Brig. Abdul Hafeedh said clear instructions were made by Interior Minister Prince Nail to weed out the overstayers and penalize those nationals who "conceal" them. Arrested aliens and their families are accommodated in decent places until the time comes for their departure, he added.

December 22 is the deadline for the departure of dependants who had entered the Kingdom on visit visas after August 20, unless they meet certain criteria permitting expatriate families to stay with their breadwinner.

Overstayers will be held at departure points and prevented from leaving the country until their guardians or sponsors are located and penalized by up to six weeks imprisonment and SR10,000 fine — followed by deportation. The ministry also asked pilgrims and umrah performers to leave the country as soon as they have completed their rituals. Those who stay behind will be liable to punishment along with anyone who gives them work or shelter or keeps them in hiding.

In a televised interview the Undersecretary of the Interior Ministry, Sheikh Ibrahim Al Awaji said those who entered the country

illegally and lured by promises from local crooks should report to the nearest police station to explain their plight. But they too will be deported. Security men already have arrested some crooks who used to extort unwary foreign workers eager to come here for work.

Towards the end of August this year the ministry announced new regulations to control the influx of families into the country by specifying categories of expatriates entitled to bring wives and children. Categories include university professors, teachers, doctors, pharmacists, veterinary surgeons and others of similar caliber.

Said the ministry, "Eager to curb the influx of foreigners into Kingdom, the ministry is restricting their presence to productive personnel required by some sectors here without being joined by their families, except for certain circumstances of professional specializations, like medicine and engineering."

SAUDI ARABIA

OIL FIRMS RECEIVE ENTITLEMENTS 1 JAN 80

Jiddah ARAB NEWS in English 10 Dec 80 p 2

[Article by Scott Pendelton]

[Text] Al Khobar, Dec 9--SABIC and Petromin joint venture partners will begin receiving their crude oil entitlements on Jan. 1, Sheikh Abdul Aziz Al Zamil vice-chairman of the Saudi Arabian Industries Corporation told ARAB NEWS Tuesday.

Crude oil entitlements were promised to the companies who are participating in petrochemical and refining joint ventures at Jubail and Yanbu as an incentive for the huge capital investments they will be required to make.

The exact amount of crude that the companies would be allowed to buy was not established until after most of the companies had already signed their joint venture agreements. In fact this very point delayed negotiations by years in some of the projects.

But over the past several days other partners have signed entitlements agreement with Petromin, Al Zamil said.

These will permit the companies to buy about 500 barrels per day for every one million dollars invested.

Jack Butler, chairman of Mobil Saudi Arabia, said that his company will receive about 500 barrels per day per million dollars for its \$300 million investment in an ethylene plant at Jubail, but only half that per million dollars for its \$300 million investment in a refinery at Yanbu. That would be 225,00 barrels per day.

Butler declined to state the actual entitlement figure. He said that Dr. Abdul Hadi Taher, the governor of Petromin, told him that there was not an exact entitlement formula based on 500 barrels per one million dollars invested.

Other partners at Jubail who will be receiving crude oil entitlements are Shell, which signed its entitlement agreement on Monday for its participation in a \$3 billion ethylene plant; Exxon for participating in \$1.2 billion low density polyethylene plant (Jubail) and a Japanese consortium in a methanol plant, also in Jubail.

Final agreement has not yet been signed with Dow Chemical for an ethylene plant and Celanese-Texas Eastern for a methanol plant, a SABIC official said.

In another development the establishment of national oil company to replace Aramco will be announced in the next few weeks, according to Dr. Abdul Hadi Taher.

Dr. Taher said Tuesday, however, that Aramco would continue to operate as before, but with its decisions going before government officials.

Aramco, a former consortium of the four U. S. oil majors, Exxon, Socal, Texaco and Mobil, was fully nationalized by the government earlier this year. Dr. Taher said the four partners had been fully compensated for their former assets.

A new government participation department has already been established near Aramco's Dhahran offices, Dr. Taher said. Its work, he added, is that of any other national oil company including participation in oil and gas discovery, production and marketing.

Petromin is now selling 1.7 million barrels of Saudi Arabia's oil per day largely under direct contracts with other governments, he said. However, the four former Aramco partners are continuing to market large quantities, and Dr. Taher said it was advisable that this arrangement should be kept to ensure the flow of Saudi Arabian crude to the international markets.

Dr. Taher said that Petromin prohibited the payment of commissions to intermediaries buying oil for others. The ban applies to crude oil, refined products, and liquefied petroleum gas. The state agency also ensures that no Petromin oil reaches Israel or South Africa by stipulating the port of destination when a contract is signed, Dr. Taher said Petromin also reserves the right to cancel a contract if the buying party violates the agreement or gets involved in a campaign of publicity that is considered offensive to the reputation of the Kingdom, he added.

CSO: 4820

SAUDI ARABIA

BRIEFS

LABOR BUREAUS OPEN—Riyadh, Dec 7 (SPA)—Two labor recruitment bureaus are to open in Jeddah and Dammam Saturday. A statement issued by Interior Ministry Sunday said "to facilitate procedures for citizens, companies and expatriates, the Labor Recruitment Bureau decided to open two new branches in Jeddah and Dammam." The statement said that while the new branches will start receiving recruitment applications beginning Saturday, the Ministry of Interior hopes that concerned parties would abide by the recruitment rules and conditions for early clearance of their applications, and cooperate by giving the correct information. The ministry called on the public to give the correct number of their previous files with the labor recruitment bureau in Riyadh, and that negligence in not giving the previous number and opening a new file with the new branches would be considered forgery. Offenders will be penalized accordingly, it said. [Text] [Jiddah ARAB NEWS in English 8 Dec 80 p 1]

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